



Arnold Schwarzenegger
Governor

July 27, 2010
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Mr. Mark Cafferty, President/CEO
San Diego Workforce Partnership, Inc.
3910 University Avenue, Suite 400
San Diego, CA 92105

Dear Mr. Cafferty:

WORKFORCE INVESTMENT ACT
85-PERCENT PROGRAM REVIEW
FINAL MONITORING REPORT
PROGRAM YEAR 2008-09

This is to inform you of the results of our review for Program Year (PY) 2008-09 of the San Diego Workforce Partnership, Inc. (SDWP) Workforce Investment Act (WIA) 85-Percent program operations. We focused this review on the following areas: Workforce Investment Board and Youth Council composition, local program monitoring of subrecipients, management information system/reporting, incident reporting, nondiscrimination and equal opportunity, grievance and complaint system, and Youth program operations including WIA activities, participant eligibility, and Youth services.

This review was conducted by Ms. Carol Hammond from January 12, 2009 through January 16, 2009 and February 2, 2009 through February 5, 2009.

Our review was conducted under the authority of Sections 667.400 (a) and (c) and 667.410 of Title 20 of the Code of Federal Regulations (20 CFR). The purpose of this review was to determine the level of compliance by SDWP with applicable federal and state laws, regulations, policies, and directives related to the WIA grant regarding program operations for PY 2008-09.

We collected the information for this report through interviews with SDWP representatives, service provider staff, and WIA participants. In addition, this report includes the results of our review of selected case files, SDWP's response to Section I and II of the Program On-Site Monitoring Guide, and a review of applicable policies and procedures for PY 2008-09.

We received your response to our draft report on July 20, 2009, and reviewed your comments and documentation before finalizing this report. Your response adequately addressed findings 2 through 5 cited in the draft report. However, these issues will

remain open until we verify your implementation of your stated corrective action plan during a future on-site review. Until then, these findings are assigned Corrective Action Tracking System (CATS) numbers 90171, 90172, 90174.

Additionally, since your response adequately addressed findings 1, 4 and 6 cited in the draft report, no further action is required and we consider these issues resolved.

BACKGROUND

The SDWP was awarded WIA funds to administer a comprehensive workforce investment system by way of streamlining services through the One-Stop delivery system. For PY 2008-09, SDWP was allocated: \$5,858,973 to serve adult participants; \$6,315,517 to serve youth participants; and \$6,541,530 to serve dislocated worker participants.

For the quarter ending December 31, 2008, SDWP reported the following expenditures for its WIA programs: \$1,955,790 for adult participants; \$1,839,622 for youth participants; and \$228,401 for dislocated worker participants. In addition, SDWP reported the following enrollments: 492 adult participants; 737 youth participants; and 509 dislocated worker participants. We reviewed case files for 83 youth participants enrolled in the WIA program as of January 12, 2009.

PROGRAM REVIEW RESULTS

While we concluded that, overall, SDWP is meeting applicable WIA requirements concerning grant program administration, we noted instances of noncompliance in the following areas: Local Workforce Investment Board (WIB) composition, 90-day gap in services, Job Training Automation (JTA) reporting, selective service registration, follow-up services and work permit. The findings that we identified in these areas, our recommendations, and SDWP proposed resolution of the findings are specified below.

FINDING 1

- Requirement:** WIA Section 117(b)(2)(A)(iii) states, in part that the composition of the local Workforce Investment Board (WIB) shall include representative of local labor organizations.
- 20 CFR 661.315(a) states that the local WIB must contain two or more members representing the categories described in WIA Section 117(b)(2)(A)(iii).
- Workforce Investment Act Directive 06-21 states, in part that at least 15 percent of local WIB members shall be representatives of labor organizations.

Observation: We observed that the SDWP WIB has a total of 44 board members, but it lacks the required labor representation. Specifically, of the 44 member board, only four seats represent labor. The SDWP WIB requires an additional 3 members in order to meet the 15-percent requirement.

Recommendation: We recommended that SDWP provide the Compliance Review Office (CRO) with a corrective action plan (CAP), including a timeline, showing the steps it will take to fill the required labor vacancies. Once filled, we recommended that SDWP provide CRO with a copy of an updated WIB roster.

SDWP Response: On July 20, 2009, SDWP provided to CRO an updated WIB roster identifying 3 additional labor representatives added to the WIB for a total of 5 representatives.

State Conclusion: We consider this finding resolved.

FINDING 2

Requirement: 20 CFR Section 667.300(b)(1) states, in part, that a state or other direct grant recipient may impose different forms or shorter formats, shorter due dates, and more frequent reporting requirements on sub recipients.

Training and Employment Guidance Letter (TEGL) 17-05 states, in part, that the term program exit means a participant has not received a service funded by the program or funded by a partner program for 90 consecutive calendar days, and is not scheduled for future services. The exit date is the last date of service.

Additionally, TEGL 17-05 states, in part, that once a participant has not received any WIA funded or partner services for 90 days (except follow-up services, and there is no planned gap in service or the planned gap in service is for reasons other than those related to health/medical condition and delay in training) that participants must be exited from WIA. The exit date is the last date of WIA funded or partner received services.

Observation: We found 2 of 83 participant case files included gaps in services that ranged between 100 and 150 days. In one instance participant had no services reported after September 3, 2008, and no exit had been documented. The second participant had no reported services after August 11, 2008 and no exit form was recorded in JTA or in the file.

Recommendation: We recommended that SDWP provide CRO with a CAP, stating how it will ensure, in the future, that no more than 90 days will lapse between services provided to participants, or else exit the participants as of the last date of receipt of services.

SDWP Response: The SDWP stated that both the SDWP Youth Team Program Specialist and Youth Provider staff will utilize the Customer Information Services & Reporting System (CISRS), "No Service" report as a means to better identify youth lapsing into potential 90 days no service. SDWP staff will conduct a review of participants falling between 60-89 days without service at their bi-monthly site visits and via ongoing teleconferences to ensure youth provider staff are identifying potential 90 day gaps in service.

State Conclusion: The SDWP stated corrective action should be sufficient to resolve this issue. However, we cannot close this issue until we verify, during a future on-site visit, SDWP successful implementation of its stated corrective action. Until then, this issue remains open and has been assigned CATS number 90171.

FINDING 3

Requirement: 20 CFR Section 667.399(b)(1) states, in part, that a State may impose different forms or formats, shorter due dates, and more frequent reporting requirements on subrecipients. Additionally, WIA Section 185(d)(B) states, in part, that information to be included in reports shall include information regarding the programs and activities in which participants are enrolled, and the length of time that participants are engaged in such programs and activities.

Observation: We observed that four participants received supportive services and incentives, but this information was not reported to the JTA system. Additionally, we observed that another participant had exited the program and the exit was not reported to JTA.

Recommendation: We recommended that SDWP provide CRO with a CAP explaining how, in the future, it will ensure that data reported to the State includes all necessary and accurate information regarding the programs and activities in which participants are enrolled. Additionally, we recommended that SDWP provide a copy of its report showing that the above information has been

appropriately reported for the four youth participants referenced above.

SDWP Response: The SDWP stated that prior to the EDD monitoring review there was no CISRS activity code associated with provision of incentives to enrolled participants, only a case note was required to document if an incentive was provided. Since that time, SDWP states they have added an Incentive activity code to CISRS and have trained WIA youth Program Providers on how to access and utilize the code for future tracking of incentives. In addition, SDWP's Program Specialist will provide monitoring and ongoing technical assistance to ensure proper use and documentation of the service being provided.

State Conclusion: The SDWP stated corrective action should be sufficient to resolve this issue and no further corrective action is required. However, we cannot close this issue until we verify, during a future on-site visit, SDWP successful implementation of its stated corrective action. Until then, this issue remains open and has been assigned CATS number 90173.

FINDING 4

Requirement: WIA Section 189(h) requires that participants must not have violated Section 3 of the Military Selective Service Act, which requires that every male citizen residing in the United States must register with the Selective Service System between their 18th and 26th birth dates.

WIAD04-18 states, in part, that all males who are at least 18 years of age and born after December 31, 1959, and who are not in the armed services on activity duty, must be registered for Selective Service (SS). A youth who becomes 18 years of age while participating in a WIA program must register within 30 days of his 18th birthday.

Observation: We observed that one male participant who was aged 20 when enrolled in the youth program never registered for Selective Service.

Recommendation: We recommended that SDWP provide the CRO with a CAP describing how it will ensure that male participants who are at least 18 years of age register with the Selective Service. Additionally, we recommended SDWP provide CRO with documentation that the above participant is registered for

Selective Service or that the participant has been exited from the program.

SDWP Response: SDWP provided a copy to CRO of the missing male participant's selective service registration.

State Conclusion: We consider this finding resolved.

FINDING 5

Requirement: 20 CFR Section 664.450(b) states, in part, that all youth participants must receive some form of follow-up services for a minimum duration of 12 months.

20 CFR Section 667.300(b)(1) states, in part, that a state or other direct grant recipient may impose different forms or shorter formats, shorter due dates and more frequent reporting requirements on sub recipients.

WIAD04-17 states, in part, that follow-up contact information is mandatory for four quarters after a client's exit unless specified otherwise in the entity's contract. Individuals may be re-evaluated at 30 days after exit and 60 days after exit for local purposes and at the 1, 2, 3, or 4 quarter after the client leaves the program. A follow-up contact is a check to determine a client's employment and educational status after exiting the WIA program.

Observation: We observed that SDWP did not complete any follow-up services for 15 youth program participants who exited the WIA program.

Recommendation: We recommended that the SDWP provide CRO with a CAP stating how it will ensure, in the future, that follow-up is completed for four quarters after the participant's exit.

SDWP Response: SDWP states they reminded all of the Youth providers of the 4 quarter follow-up in a memo. SDWP provided proof of follow up for 9 of the 15 youth participants listed above. SDWP states that several of the youth listed are neutral exits (soft) and believe that no-follow up is required for youth who exit as neutral (soft), incarcerated, family care, etc.

State Conclusion: SDWP provided follow-up information for 9 of the 15 youth participants identified above. However, no follow-up information was provided for the remaining 6 youth participants. SDWP states they provide no follow-up for youths who exit the program

as neutral, otherwise know as soft. If SDWP has lost contact with a participant then a follow-up form indicating this information should be used to report to JTA. Based on SDWP's response, we cannot resolve this issue at this time. Again, we recommend that the SDWP provide CRO with a CAP stating how it will ensure, in the future, that follow-up is completed for four quarters after the participant's exit. Until then, this issue remains open and has been assigned CATS number 90174.

FINDING 6

Requirement: California Education Code Section 49160 states, in part, that no person, firm or corporation shall employ, suffer, or permit any minor under age of eighteen to work in or in connection with any establishment or occupation, except as provided in Section 49151, without a permit to employ, issued by the proper educational officers in accordance with law.

California Labor Code Section 1299 states, in part, every person, or agent or officer thereof, employing minors, either directly or indirectly through third persons, shall keep on file all permits and certificates, either to work or to employ.

Observation: We found that one younger youth participant, age 17, was participating in paid work experience at Foot Locker. However, the case file did not document that a work permit was obtained. A copy of the youth participants' work permit was requested but not provided.

Recommendation: We recommended that the SDWP provide CRO with a CAP stating how it will ensure, in the future, that work permits are obtained for all minors under the age of eighteen.

SDWP Response: SDWP provided a copy of the work permit for the youth participant identified above.

State Conclusion: We consider this finding resolved.

Mr. Mark Cafferty

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July 27, 2010

We provide you up to 20 working days after receipt of this report to submit your response to the Compliance Review Office. Because we faxed a copy of this report to your office on the date indicated above, we request your response no later than August 24, 2010. Please submit your response to the following address:

Compliance Monitoring Section
Compliance Review Office
722 Capitol Mall, MIC 22M
P.O. Box 826880
Sacramento, CA 94280-0001

In addition to mailing your response, you may also FAX it to the Compliance Monitoring Section at (916) 654-6096.

Because the methodology for our monitoring review included sample testing, this report is not a comprehensive assessment of all of the areas included in our review. It is SDWP's responsibility to ensure that its systems, programs, and related activities comply with the WIA grant program, Federal and State regulations, and applicable State directives. Therefore, any deficiencies identified in subsequent reviews, such as an audit, would remain SDWP's responsibility.

Please extend our appreciation to your staff for their cooperation and assistance during our review. If you have any questions regarding this report or the review that was conducted, please contact Ms. Jennifer Shane at (916) 654-1292.

Sincerely,



JESSIE MAR, Chief
Compliance Monitoring Section
Compliance Review Office

cc: Stephen Amezcua, MIC 50
Jose Luis Marquez, MIC 50
Daniel Patterson, MIC 45
Georganne Pintar, MIC 50